

LGC #4
April 27, 2006

RESOLUTION NO.

WHEREAS, the City of Austin has determined that it would be in the best interest of the City and the general public to redevelop property within the City formerly known as the Robert Mueller Municipal Airport ("MUELLER"); and

WHEREAS, to facilitate the redevelopment of MUELLER, the City entered into a Master Development Agreement with Catellus Austin LEC, effective as of December 2, 2004 (the "Development Agreement"); and

WHEREAS, under the Development Agreement, the City agreed to issue debt to finance certain "Public Finance Reimbursable Project Costs" either directly or through the auspices of a local government corporation to be created by the City; and

WHEREAS, by Resolution No. 041202-60, the City Council authorized the creation of a local government corporation known as "Mueller Local Government Corporation" (the "Corporation") to assist and act on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the City, including, without limitation, the development of the geographic area included or to be included in Reinvestment Zone Number sixteen, City of Austin, Texas (the "Zone") and neighboring areas, for the promotion, development, encouragement and maintenance of employment, commercial economic development and public facility development, including the redevelopment of MUELLER, which is located within the boundaries of the Zone; and

WHEREAS, the Corporation is proposing to issue bonds in one or more series for the purpose of financing Public Finance Reimbursable Project Costs with respect to the redevelopment of MUELLER (the "Bonds"); and

WHEREAS, the Corporation is seeking from the City financial assistance, in the form of a grant, to provide additional funding to enable the timely payment of debt service and on-going administrative expenses on such Bonds issued for the benefit of the City in connection with the redevelopment of MUELLER, in accordance with the terms of the Development Agreement; and

WHEREAS, Section 52-a of Article III of the Texas Constitution authorizes the Texas Legislature to provide for the creation of programs and the making of loans and grants of public money for the public purposes of development and diversification of the economy of the state, the elimination of unemployment and underemployment in the state, the stimulation of agricultural innovation, the fostering of the growth of enterprises based on agriculture, or the development or expansion of transportation or commerce in the state; and

WHEREAS, Chapter 380, Texas Local Government Code ("Chapter 380"), provides that the governing body of a municipality may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, the City has established, pursuant to the terms of Resolution Nos. 030612-15 and 050113-52, a program to provide for economic development grants to promote and foster economic development in the City; and

WHEREAS, the City has determined that it is in the best interests of the City, in connection with the redevelopment of MUELLER, and in furtherance of the objectives of the City as set forth in Resolution Nos. 030612-15 and 050113-52, to establish and approve a program to promote economic development and to stimulate business and commercial activity within the Zone, specifically by providing the grant hereinafter described; **NOW, THEREFORE,**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MUELLER LOCAL GOVERNMENT CORPORATION:

1. That the facts and recitations contained in the preamble of this Resolution are found and declared to be true and correct.
2. That the President or Vice President of the Corporation is authorized to:

- A. negotiate, execute and deliver an Economic Development and Grant Agreement ("Grant Agreement") with the City for grants to enable the Corporation to timely pay annual debt service on the Bonds and on-going administrative expenses in an amount not to exceed \$1,200,000 per annum, for a total grant amount not to exceed \$23,100,000, and
- B. take such action and execute and deliver such documents as are necessary or appropriate to accept the grants from the City, or otherwise to implement the intent of this Resolution.

ADOPTED: , 2006

ATTEST:

Secretary